



# CLIENT GUIDE

NEW SCOTTISH SECURITY REGIME:  
MOVEABLE TRANSACTIONS (SCOTLAND) ACT 2023

JUNE 2025

# CONTENTS PAGE

- Introduction ..... 3
- Key Contacts..... 3
- Statutory Pledge..... 4
- Assignment of Claims..... 5
- Sectors/Specific types of financing ..... 6
- What does it mean in practice? ..... 7

# INTRODUCTION

Major changes to security over Scottish assets and potential benefits for lenders and borrowers (effective date 1 April 2025).

Under the Moveable Transactions (Scotland) Act 2023 (Act), major changes to how to create effective fixed security over certain types of assets located in Scotland (including Scots law contracts) took effect on 1 April 2025.

Two new forms of fixed security over assets - a statutory pledge and an assignment of claims:

- introduce more streamlined ways of taking fixed security over certain assets
- reduce the administrative burden
- allow fixed security to be created over current and future assets (including by certain individuals and corporate entities which can't grant a floating charge)

For current and potential deals, lenders/security agents should consider taking security over Scottish assets under the new regime (and for existing deals, whether there is scope under existing debt documents (for example, undertakings or further assurance provisions) to take advantage of the new regime to have a more robust Scottish security package).

## Key Contacts



**Chris McLauchlan**  
Partner

T: (0)131 624 8719  
M: (0)798 071 5525  
E: [chris.mclauchlan@wbd-uk.com](mailto:chris.mclauchlan@wbd-uk.com)



**Beate McBurnie**  
Associate

T: (0)131 624 8713  
M: (0) 7738 752 178  
E: [beate.mcburnie@wbd-uk.com](mailto:beate.mcburnie@wbd-uk.com)

# STATUTORY PLEDGE

Only limited companies and limited liability partnerships (LLPs) can grant floating charges over Scottish assets.

The new Statutory Pledge can (subject to certain limitations) be granted over certain current and future assets (even if the owner of the assets is not Scottish) by individuals and various types of entities – including common law partnerships, limited partnerships, trusts, sole traders, unincorporated associations, limited companies, and LLPs – which may provide access to finance to certain borrowers who were unable to provide sufficient collateral to lenders/security agents under the pre-1 April regime.

Assets that can be secured using a Statutory Pledge include shares, plant and machinery, equipment, vehicles, art, livestock, and intellectual property.

Some benefits of the Statutory Pledge are:

- lenders/security agents do not need to take possession or ownership of the secured assets (ie actual or constructive delivery of the asset is no longer required (which in most cases is impractical) to create the fixed security)
- as a fixed security, it will rank ahead of floating charges (and preferential creditors eg HMRC)
- they can be taken over current and (in contrast to the pre-1 April regime) future assets.



# ASSIGNATION OF CLAIMS

As mentioned in relation to the new Statutory Pledge:

- only limited companies and LLPs can grant floating charges over Scottish assets
- the new Assignment of Claims can (subject to certain limitations) be granted over certain current and future assets (even if the owner of the assets is not Scottish) by individuals and various types of entities – including common law partnerships, limited partnerships, trusts, sole traders, unincorporated associations, limited companies, and LLPs – which may provide access to finance to certain borrowers who were unable to provide sufficient collateral to lenders/security agents under the pre-1 April regime.

Assets that can be secured using an Assignment of Claims include rental income, bank accounts, debt claims, insurance policies, and material contracts.

Some of the benefits of the Assignment of Claims are:

- lenders/security agents do not need to take possession or ownership of the secured assets (ie giving notice of the claim in writing to a third party (which can be time consuming, expensive and impractical (eg when taking fixed security over a portfolio of book debts)) is no longer required to create the fixed security)
- as a fixed security, it will rank ahead of floating charges (and preferential creditors eg HMRC)
- they can be taken over current and (in contrast to the pre-1 April regime) future assets.



# SECTORS/TYPES OF FINANCING

There are several sectors/types of financing where there are potential benefits, including:

- **Asset Finance:** eg taking fixed security over physical moveable assets (like vehicles or plant and machinery and equipment) which is critical in the context of the operation of a business
- **Energy / Project Finance:** eg taking fixed security over shares, physical moveable assets and rights under material contracts
- **Food & Drink:** eg reducing logistical challenges and costs associated with taking fixed security over physical moveable assets (like whisky barrels)
- **Invoice Finance:** eg simplified method to take fixed security over current and future book debts, without having to notify every debtor
- **Manufacturing:** eg taking fixed security over physical moveable assets (like vehicles or plant and machinery and equipment) and rights under material contracts
- **Private Wealth:** eg taking fixed security over shares and physical moveable assets (like art, livestock, vehicles, plant and machinery, and equipment)
- **Real Estate:** eg streamlined process to take fixed security over a commercial lease portfolio, without having to notify every tenant
- **Securitisation:** eg simplified method to take fixed security over debt claims, without having to notify every debtor
- **Sports:** eg simplified method of taking fixed security over current and future revenue streams.



# WHAT DOES IT MEAN IN PRACTICE?

Two new registers were created in line with the Act: the Register of Statutory Pledges and the Register of Assignations (together the Registers).

Securities can be uploaded digitally to the relevant Register(s).

To take effective fixed security, it is no longer necessary to deliver (or for a lender/security agent to take possession/ownership of) the secured assets.

Fixed security over certain current and future assets will be easier to grant/take (including by certain individuals and entities that can't currently grant floating charges).

The pre-1 April regime Scots law forms of security (eg standard security, share pledges, assignations in security, and floating charges) and methods of security creation continue to exist.

Security granted by limited companies and LLPs will continue to have to be registered at Companies House within the 21 day time period.

The new forms of Scottish security documents will be much more like an English law debenture than Scottish security documents under the pre-1 April regime (although there are still some significant differences).

Overall, the new regime provides significant improvements on the way fixed security is taken over certain assets and will be beneficial for lenders/security agents in being able to take additional fixed security and also for certain borrowers having more assets over which they can grant effective fixed security as collateral for a lender/security agent.





womblebond dickinson.com

WBD-CGMT-2025-002

© Copyright 2025 Womble Bond Dickinson (UK) LLP. All rights reserved. This document is provided for general information only and does not constitute, legal, financial or other professional advice so should not be relied on for those purposes. You should consult a suitably qualified lawyer or other relevant professional on a specific problem or matter. Womble Bond Dickinson (UK) LLP is authorised and regulated by the Solicitors Regulation Authority. "Womble Bond Dickinson", the "law firm" or the "firm" refers to the network of member firms of Womble Bond Dickinson (International) Limited consisting of Womble Bond Dickinson (UK) LLP and Womble Bond Dickinson (US) LLP. Each of Womble Bond Dickinson (UK) LLP and Womble Bond Dickinson (US) LLP is a separate legal entity operating as an independent law firm. Womble Bond Dickinson (International) Limited does not practise law. Please see [www.womblebond dickinson.com/legal-notices](http://www.womblebond dickinson.com/legal-notices) for further details.

This document is supplied to you in confidence and contains confidential information which if disclosed could result in a breach of confidence actionable by the firm or our clients and which would or would be likely to prejudice our commercial interests. As some of the information within the document is personal information about our staff and clients, disclosure of this without their consent could result in a breach by you of the Data Protection Act 1998. If you believe that you are under a legal obligation to disclose any of the contents of this document to a third party, we would ask that you let us know, ideally by contacting the Key Contact named in the document or in their absence, Andy Kimble in our Information Governance Team.